

15 June 1959

MEMORANDUM:

On Thursday, June 11, I attended a meeting in Gerry Persons' office, attended by representatives of several of the independent agencies of government, who had not been represented in the Cabinet Meeting where the President spoke about the Budget Estimates for FY 1961. Among those included in the meeting which I attended were George Allen, General Quesada, Franklin Floete, and one or two others.

After Gerry Persons had explained the President's desire to keep the budget within proper limits and to give full consideration to the whole economic and spending problem with which the country will be faced over the coming years. The various persons around the room were <sup>then</sup> given an opportunity to speak. When my turn came I explained that our budget presentation as informally given to the Director of the Bureau of the Budget for FY 1961, was considerably in excess for 1960. That resulted from two causes: one was the importance of restoring our special reserve, and the other was the uncertainty as to allocation as between the Department of Defense and CIA of very considerable covert expenditures for certain highly classified projects. I stated that on both points, it would probably be necessary to have the decision of the President, who was quite familiar and deeply concerned with both of the <sup>issues</sup> sides involved. When a decision was reached on these two points, adjustments might be possible in our budget which I could not however project forward at the moment.

There was no particular discussion of either of these points and I had to leave the meeting before it was concluded.

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ALLEN W. DULLES  
Director

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